

## Identification of the area

**Name or Designation:** **Area 40:** Central District; Rainier Valley; South First Hill (Madrona and Leschi), Beacon Hill; Mount Baker.

**Boundaries:** Area 40 boundaries are East Spruce Street to the North; Lake Washington to the East; South Graham Street to the South; Interstate 5 to the West.

**Maps:** A general map of the area is included in this report. More detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King County Administration Building.

### Area Description:

**The northern portion of area 40 contains neighborhood 10 (Central District, Eastern portion of the International District), neighborhood 20 (Central District) and neighborhood 30 (Leschi, Judkins Park).**

The Urban Village developments are within the location of 23<sup>rd</sup> and Jackson, 23<sup>rd</sup> and Union, and along the major arterial streets of 12<sup>th</sup> Avenue, 14<sup>th</sup> Avenue, Boren, Yesler Way, South Jackson Street, Rainier Avenue South, Martin Luther King Junior Way South, and South Dearborn Street. This area is heavily urbanized consisting of retail stores, small offices, churches, daycare, small private schools, franchise fast-food restaurants, multi-family apartments and condominiums. It is progressively transforming from an older declining area to a rehabilitated area, steadily changing in moderate pace, as financing becomes more readily available to property owners.

The Central District has strong neighborhood based action groups and in cooperation with the City of Seattle they are in the process of revitalizing the community. Community development corporations are implementing development in accordance with their plans by private market activity in both housing and the commercial sector. The challenges ahead will include the ability to successfully implement urban village type development, job creation, and housing to capture a greater market share of residents' retail consumer spending. Revitalization and redevelopment strategies have been aiding in the reorganization of investment in community assets to increase local business development, employment opportunities and livability within the community.

Fairfield Residential purchased the former Wonder Bread Bakery site from Lowe Enterprises Northwest and Washington Holdings. The site in the heart of the Central District on South Jackson Street between 18<sup>th</sup> and 19<sup>th</sup> Avenue South will, according to published reports, include approximately 250 apartments and roughly 6,500 square feet of retail space.

The Pratt Fine Arts Center purchased a full block from Lowe's where it will build a new art center more than twice its current size. Their plan is to build the Northwest's largest center for working studio artists funded by a \$2.1 million challenge grant from the Jon and Mary Shirley Foundation.

Also, conceptual plans are taking place to develop the Seattle Goodwill site on South Dearborn as a mixed-use project. Ravenhurst Development and TRF Pacific plan to develop a multi-level project with up to 600,000 square feet of retail, an estimated 450 residences, in addition to approximately 120,000 square feet for Goodwill. The project will still need vacation of some city streets, acquisition of further land, and permit approval from the city to be completed as planned.

Developer interests, private investment, and its proximity to Downtown Seattle and the city's business, retail, and industrial cores suggest the Jackson Street corridor and surrounding areas to be evolving.

**The southern portion of area 40 contains neighborhoods 40 (Beacon Hill), 50 (Mount Baker, Rainier Valley), 60 (Rainier Valley, Columbia City) and 70 (Rainier Beach).**

Major business arterials in this area are Rainier Avenue South, North Beacon Avenue and Martin Luther King Junior Way S. The commercial buildings located along Rainier Avenue South and Martin Luther King Junior Way S; primarily consist of retail, small offices, daycare, restaurants, franchise fast food, multi-family and apartments. The majority of Industrial zoned land is in the southwestern section near the southern city limits between Interstate 5 and Martin Luther King Junior Way S. The Jefferson Park Golf Course is located west of Martin Luther King Junior Way S. Lake Washington Boulevard is predominately residential with the recreational areas of Colman Park, Seward Park and Mount Baker Park located on the Lake Washington shores. The Puget Sound Veterans Administration Hospital is located off of Beacon Avenue South.

Commercial and industrial activities are predominately in the Valley neighborhoods including Rainier Avenue, Genesee Street, Martin Luther King Junior Way S., Graham Street and Columbia City. All have undeveloped or underdeveloped land and offer potential for development. This area is slowly and progressively revitalizing its neighborhoods after a long period of decline. Construction of the new 10,000 square foot King County Branch Library on Beacon Hill and expansion of the Rainier Beach Branch Library have recently been completed.

Construction is well under way on the new 14 mile Sound Transit Central Link light rail line that is a significant piece in the regions transportation future, due for completion in early 2009. The light rail will reconnect the city to the Rainier Valley community and in the process transform Martin Luther King Junior Way S. into an urban boulevard. Construction impacts will be felt mostly in Rainier Valley. Five light rail stations are planned for Rainier Valley. These stations are being built along Martin Luther King Junior Way S. A station at Edmonds Street will be next to the Seattle Housing Authority's, Rainier Vista Housing complex, providing opportunities to enhance the commercial and pedestrian-friendly character of the Columbia City neighborhood.

A station at Henderson will accommodate the pedestrian walkway to Rainier Beach and will encourage additional market rate multi-family housing. The McClellan station will offer an opportunity to create a mixed-use neighborhood center and increase the retail and multi-family housing supply. Planners are focused on condensing activity within walking distance of major transit stops, thus reducing vehicle traffic. Apartments mixed with single-family housing, restaurants, dry cleaners, grocery stores and bank branches will be within a few blocks of each other. Such high-density living is intended to provide a built-in base of transit users. A moratorium has been in effect to prevent the construction of new, or the expansion of existing, auto-oriented uses until station area planning is done.

The Beacon Hill station is being constructed as well as an elevator and a twin bore tunnel being excavated under Beacon Hill. The tunnel will allow access north to King Street station and south down the length of Rainier Valley. This station will offer an opportunity to create a mixed use neighborhood center in the Beacon Hill retail area.

City of Seattle Department of Design Construction and Land Use is in the planning stages of changing Single Family 5000 (SF 5000) zoning, at strategic locations on North Beacon Hill, to Neighborhood Commercial/Residential 40 (NC2/R40) zoning. This would be to encourage additional mixed-use commercial and residential development within North Beacon Hill's retail core

The Rainier Court Associates low income project dominates the lower Rainier Avenue area near Estelle Street. This mixed use seven story project contributes to the urban village concept anchored by Safeway, Hollywood Video and other existing strip retail. Other low income projects include Gamelin House, Othello Station, New Holly and Rainier Vista which are being constructed on Martin Luther King Jr. Way.

SouthEast Effective Development or SEED, a community nonprofit group, celebrated its 30 year anniversary. Also, SEED won the national Phoenix Award for redeveloping a brownfield at Rainer Court. SEED has played a significant role in the revitalization of Southeast Seattle by helping secure millions of dollars in public improvements and in affordable housing since their inception. Their efforts along with the Rainer Valley Community Development fund, the Rainer Valley Chamber of Commerce, community based organizations, and government and private investment are undeniably transforming the community throughout area 40.

### Physical Inspection Identification:

Neighborhood 40-40 (Beacon Hill) was physically inspected for the 2006 assessment year.

### Scope of Data

#### Land Value Data:

There were 34 vacant land sales considered in Area 40 with sales dates from 3/5/2003 to 8/26/2005. Thirteen of these sales were 2005 sales. Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sale Identification Section. Sales information is analyzed and investigated by the appraiser to determine if they are market transactions. Sales in Area 25 to the north were considered as well as residential sales on commercially zoned land. These sales were given primary consideration for valuing land as of 1/1/2006.

### Sales Analysis by Neighborhood

#### Area 40-10: Central District, Eastern portion of the International District

Neighborhood 10 boundaries are E. Spruce St. to the North, 23<sup>rd</sup> Avenue South to the east, Interstate 90 to the South and Interstate 5 to the West.

All land sales in this area were analyzed and eight were considered market sales. Land values in this neighborhood changed to reflect the indicated market trend. The table below represents the 2006 estimated land values and shows the price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2006 \$ PER SF VALUE	SALES \$ PER SF
40-10	C1-65	\$12-60	
40-10	C2-40	\$25	
40-10	C2-65	\$24-50	\$20.20
40-10	IC-65	\$20-60	\$65.10
40-10	L-1	\$17-20	
40-10	L-2	\$20-25	
40-10	L-2/RC	\$30	
40-10	L-3	\$13-60	\$44.27, \$45.57, \$54.17, \$56.82, & \$66.67
40-10	L-3/RC	\$36-40	
40-10	LDT	\$20-45	\$55.12
40-10	MR	\$45	
40-10	NC1-30	\$18	
40-10	NC1-40	\$18-47	
40-10	NC2-40	\$25	

40-10	NC3-40	\$35
40-10	NC3/R40	\$25
40-10	NC3-65	\$30-65
40-10	NC3-65 P1	\$36
40-10	M10-240-HR	\$15
40-10	SF-5000	\$15

### **Area 40-20: Central District**

Neighborhood 20 boundaries are E. Spruce Street to the north, 31st Avenue South to the East, Interstate 90 to the south, and 24<sup>th</sup> Avenue South to the west.

All land sales in this area were analyzed and three were considered being market sales.

Land values in this neighborhood changed to reflect the indicated market trend. The table below represents the 2006 estimated land values and the price per square foot of market sales in each zone.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-20	C1-40	\$37	
40-20	C1-65	\$37	
40-20	L-1	\$9-30	
40-20	L-2	\$6-27	\$20.46
40-20	L-2/RC	\$10-20	
40-20	L-3	\$30-45	
40-20	L-4	\$35-48	
40-20	LDT	\$16-25	\$31.01 & \$60.61
40-20	NC1-30	\$18-20	
40-20	NC1-40	\$30	
40-20	NC2-40	\$12-30	
40-20	NC3-65	\$30-37	
40-20	SF-5000	\$11-32	

### **Areas 40-30: Leschi, Judkins Park**

The boundaries for neighborhood 30 are E. Spruce Street to the North, Lake Washington to the East, Interstate 90 to the South and 31st Avenue South to the West.

There was no market evidence to indicate a change in the land values in Area 40-30

Land values in this neighborhood did not see a significant change. The table below represents the 2006 estimated land values.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-30	NC1-30	\$18-25	
40-30	NC1-40	\$20-82	

40-30	L-1	\$30-90
40-30	L-2	\$25
40-30	L-3	\$40-126
40-30	L-3 RC	\$102
40-30	SF-5000	\$18-45

### **Area 40-40: Beacon Hill**

Neighborhood 40 boundaries are Interstate 90 to the North, Valentine Place South & 20<sup>th</sup> Avenue South to the East, Graham Street to the South and Interstate 5 to the West.

All land sales were analyzed and eight were determined to be market sales. Land values in this neighborhood changed to reflect market trends. The table below represents the 2006 estimated land values and the price per square foot of market sales in each zone.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-40	C1-40	\$30	
40-40	L-1	\$14-16	
40-40	L-2	\$12-25	\$6.04, \$12.50, \$18.00, \$19.67, \$22.78, \$24.06, \$29.76, & \$32.22
40-40	L-3	\$19-35	
40-40	MIO-105-L-3	\$6	
40-40	NC1-30	\$22-28	
40-40	NC1-40	\$20	
40-40	NC2-40	\$20-32	
40-40	NC2/R40	\$20-22	
40-40	SF 5000	\$6-16	

### **Areas 40-50: Mount Baker, Rainier Valley**

Neighborhood 50 boundaries are Interstate 90 to the North, Lake Washington to the East, South Hanford Street & South Winthrop Street to the South, Valentine Place South and 20<sup>th</sup> Avenue South to the West. All land sales were analyzed and three were determined to be market. Land values in this neighborhood remained changed to reflect market trends. The table below represents the 2006 estimated land values.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-50	C1-40	\$15-35	
40-50	C1-65	\$15-35	\$27.20, \$31.25, & \$52.89
40-50	C2-65	\$13-30	
40-50	LDT	\$10-25	
40-50	NC1-30	\$14-17	
40-50	NC1-40	\$20-25	
40-50	NC3-65	\$20-30	
40-50	L-1	\$13-20	
40-50	L-2	\$12-22	
40-50	L2-RC	\$22	
40-50	L-3	\$15-25	
40-50	L-4	\$20	
40-50	L4-RC	\$25-30	
40-50	SF-5000/7200	\$6-14	

### **Area 40-60: Rainier Valley, Columbia City**

Neighborhood 60 boundaries are South Winthrop Street, South Hanford Street and South Charleston Street to the North, 43rd Avenue South, 47th Avenue South, and 48<sup>th</sup> Avenue South to the East, South Graham Street to the South, Cheasty Boulevard, and Beacon Avenue South to the West.

All sales were analyzed and twelve are considered market sales. Land values in this neighborhood remained relatively unchanged except for some L-2 and L-3 zoned land with local area adjustments to improve equalization. The table below represents the 2006 estimated land values and the price per square foot of market sales in each zone.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-60	C1-40	\$10-20	
40-60	C1-65	\$10-25	\$42.87
40-60	C2-40	\$20	
40-60	C2-65	\$8-22	\$27.78
40-60	L-1	\$9-13	
40-60	L-2	\$7-20	\$16.00 & \$24.53
40-60	L2-RC	\$10-25	

40-60	L-3	\$4-30	\$12.11 & \$33.49
40-60	L3-RC	\$15-20	
40-60	L4	\$18	
40-60	L-4 RC	\$16-30	\$36.13
40-60	LDT	\$6	
40-60	MR	\$10	
40-60	NC1-40	\$15-20	
40-60	NC2-30	\$15	
40-60	NC2-40	\$15-25	\$26.67, \$49.77, \$27.30, & \$43.43
40-60	NC3-40	\$25	
40-60	NC3-65	\$15-30	
40-60	NC2/R30	\$15	
40-60	NC2/R40	\$12-30	
40-60	NC2/R65	\$18	
40-60	NC2-40 P2	\$25	
40-60	NC3-40 P2	\$20-30	
40-60	NC3-65 P2	\$20-25	
40-60	SF-5000	\$10-21	\$10.09

#### **Area 40-70: Southeast Lake Washington neighborhood**

Neighborhood 70 boundaries are Lake Washington to the North and East, Graham Street to the South, 43<sup>rd</sup> Avenue South, 47<sup>th</sup> Avenue and 48<sup>th</sup> Avenue South to the West.

There was no market evidence to indicate a change in the land values in Area 40-70. Land values in this neighborhood did not see significant change. The table below represents the 2006 estimated land values.

<b>AREA NEIGHBORHOOD</b>	<b>ZONING</b>	<b>2006 \$ PER SF VALUE</b>	<b>SALES \$ PER SF</b>
40-70	NC1-30	\$20-22	
40-70	SF-5000/7200/9600	\$3-12	

#### **Land Value Conclusions, Recommendations and Validation:**

Land values were estimated based on the Sales Comparison approach. Sales were analyzed based on zoning, size, location and development potential. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. Appraiser judgment prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.



The total land assessed value for the 2005 assessment year for area 40 was \$526,906,858 and the total land assessment value for the recommended 2006 assessment year is \$653,374,900. Application of these recommended values for the 2006 assessment year results in a change from the 2005 assessments of plus 19.35%.

A list of vacant sales used and those considered not reflective of the market value are included in the following sections.

## **Improved Parcel Total Values:**

### **Sales comparison approach model description:**

There are 40 improved sales in area 40 that were considered fair market transactions. 34 of these sales were included in the ratio study, while the remainder 6 sales were excluded due to characteristic changes after the sale. The sale dates range from 03/06/2003 to 12/20/2005. All sales were verified with a knowledgeable party when possible. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to predominant use, location, age and size in order to establish appropriate ranges of price per square foot of net rentable area to use as guidelines.

### **Regression**

Regression was not used in the revalue of the commercial properties in this area. See report on apartments and condominiums for use of regression models.

### **Cost approach model description**

In those areas where a cost approach was done the Marshall & Swift Commercial Estimator was used. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon in almost every instance of exempt properties including schools, churches, public buildings and government buildings. Cost estimates also served as value indicators for new construction projects.

### **Cost calibration**

The Marshall & Swift Valuation modeling system, which is built in the Real Property Application, is calibrated to the region and the Seattle area.

### **Income capitalization approach model description**

The Income Approach was considered the most reliable approach to valuation in Area 40. Income parameters were derived from the market place through sales and listed for sale information, as well as through market surveys and available publications. Stratification of these parameters of the various property types indicates:

#### **Area 40-10:**

<b>PROPERTY TYPE</b>	<b>RENT/SF</b>	<b>VACANCY</b>	<b>EXPENSE</b>	<b>OAR</b>
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$22.00	5%	20%	6.5% to 8.5%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5%	10%	8.50% to 10.50%
Office Office Medical	\$9.00 to \$20.00	5%	20% to 25%	6.50% to 8.50%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5%	10%	8.50% to 10.50%
Industrial, Manufacturing, Storage Warehouse	\$4.00 to \$12.00	5%	10%	9.00% to 11.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$6.00 to \$15.00	10%	20% to 25%	7.00% to 8.50%

#### **Area 40-20:**

<b>PROPERTY TYPE</b>	<b>RENT/SF</b>	<b>VACANCY</b>	<b>EXPENSE</b>	<b>OAR</b>
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$22.00	5%	10% to 15%	7.50% to 9.50%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	5%	20% to \$25	8.00% to 9.50%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5%	10%	8.50% to 10.50%

Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$11.00	5%	10%	9.00% to 11.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	10%	20% to 25%	7.00% to 8.50%

**Area 40-30:**

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5%	10% to 15%	8.00% to 10.00%
Office Office Medical	\$9.00 to \$22.00	5%	20%	8.50% to 9.50%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$6.00 to \$14.00	5%	20% to 25%	7.00% to 8.50%

**Area 40-40:**

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$4.00 to \$18.00	5%	10% to 15%	7.00% to 9.50%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5%	10%	9.00% to 11.00%
Office Office Medical	\$6.00 to \$20.00	5%	20%	7.50% to 9.50%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5%	10%	8.50% to 10.00%
Industrial, Manufacturing, Storage Warehouse	\$3.00 to \$11.00	5%	10%	9.00% to 11.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$13.00	10%	20% to 25%	7.00% to 8.00%

**Area 40-50:**

<b>PROPERTY TYPE</b>	<b>RENT/SF</b>	<b>VACANCY</b>	<b>EXPENSE</b>	<b>OAR</b>
Retail, Restaurant, Convenience Store, Daycare Center	\$8.00 to \$18.00	5%	10% to 15%	7.00% to 9.50%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5%	10%	9.00% to 10.50%
Office Office Medical	\$9.00 to \$22.00	5%	20%	7.00% to 9.50%
Office Mezzanines Office Basement Office Warehouse	\$4.00 to \$14.00	5%	10%	8.00% to 10.00%
Industrial, Manufacturing, Storage Warehouse	\$4.00 to \$12.00	5%	10%	7.50% to 10.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	8.50% to 9.50%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$13.00	7%	20% to 25%	7.00% to 8.50%

**Area 40-60:**

<b>PROPERTY TYPE</b>	<b>RENT/SF</b>	<b>VACANCY</b>	<b>EXPENSE</b>	<b>OAR</b>
Retail, Restaurant, Convenience Store, Daycare Center	\$8.00 to \$18.00	5%	10% to 15%	7.50% to 9.50%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$21.00	5%	20% to \$25	7.00% to 9.50%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$4.00 to \$12.00	5%	10%	8.00% to 11.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	8.00% to 9.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$13.00	7%	20% to 25%	7.00% to 9.00%

**Area 40-70:**

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$4.00 to \$18.00	5%	10% to 15%	7.50% to 10.50%
Office Office Medical	\$6.00 to \$18.00	5%	20%	8.50% to 10.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$11.00	5%	10%	9.00% to 11.00%
Garage Service Repair	\$2.00 to \$16.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$13.00	5%	20% to 25%	7.00% to 8.50%

**Income approach calibration**

The models were calibrated after setting base rents by using adjustments based on size, effective age, condition, quality and class of construction, as well as location.

**Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.**

All parcels were individually reviewed by the area appraiser for correctness of the model application before a final value was selected. All of the factors used to establish value by the model were subject to adjustment. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but fall within an acceptable range of variation from the established guideline. The Senior Appraiser reviewed final value selects before posting.

**Model Validation****Total Value Conclusions, Recommendations and Validation:**

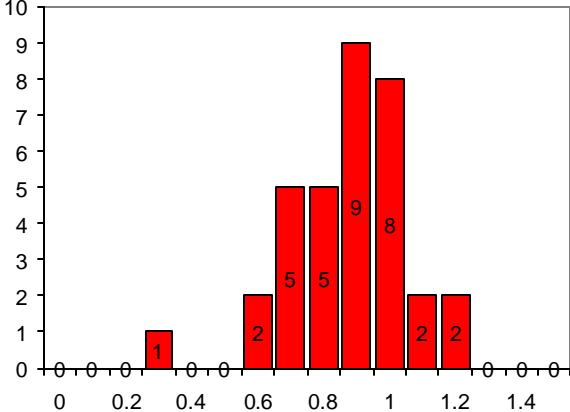
Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel in the physical inspection area was field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented in the Executive Summary and the 2005 and 2006 Ratio Analysis charts included in this report. Comparison of the 2005 and 2006 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level went from 80.4% to 97.4%. The Coefficient of Dispersion (COD) went from 17.13% to 14.36%, the Coefficient of Variation (COV) went from 22.69% to 21.44%, and the Price-related Differential (PRD) went from 1.03 to 1.02. Although the ratio study may look a bit aggressive, the market is in a rising mode and the ratios for older sales are skewed towards values over 1 because the market has eclipsed the older sales.

The total assessed value in area 40, for the 2005 assessment year, was \$1,130,038,558 and the total recommended assessed value for the 2006 assessment year is \$1,289,841,881. Application of these recommended values for the 2006 assessment year results in an average total change from the 2005 assessments of + 12.39%.

**Note:** More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

**Area 040 – Central District, Rainier Valley, Beacon Hill**  
**2005 Assessment Year**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
Central Crew	1/1/2005	4/13/2006	3/6/03 - 12/20/05
Area	Appr ID:	Prop Type:	Trend used?: Y / N
40	KBIG	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	34	<div>Ratio Frequency</div> 	
Mean Assessed Value	660,700		
Mean Sales Price	822,000		
Standard Deviation AV	505,873		
Standard Deviation SP	606,420		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.829		
Median Ratio	0.838		
Weighted Mean Ratio	0.804		
UNIFORMITY			
Lowest ratio	0.2570		
Highest ratio:	1.1888		
Coefficient of Dispersion	17.13%		
Standard Deviation	0.1882		
Coefficient of Variation	22.69%		
Price-related Differential	1.03		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.747	These figures reflect measurements <u>before</u> posting new values.	
Upper limit	0.954		
95% Confidence: Mean			
Lower limit	0.766		
Upper limit	0.893		
SAMPLE SIZE EVALUATION			
N (population size)	793		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1882		
Recommended minimum:	53		
Actual sample size:	34		
Conclusion:	Uh-oh		
NORMALITY			
Binomial Test			
# ratios below mean:	15		
# ratios above mean:	19		
z:	0.514495755		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

**Area 040 – Central District, Rainier Valley, Beacon Hill  
2006 Assessment Year**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																			
Central Crew	1/1/2006	4/13/2006	3/6/03 - 12/20/05																			
Area	Appr ID:	Prop Type:	Trend used?: Y / N																			
40	KBIG	Improvement	N																			
SAMPLE STATISTICS																						
Sample size (n)	34	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7-0.8</td><td>2</td></tr><tr><td>0.8-0.9</td><td>3</td></tr><tr><td>0.9-1.0</td><td>5</td></tr><tr><td>1.0-1.1</td><td>10</td></tr><tr><td>1.1-1.2</td><td>8</td></tr><tr><td>1.2-1.3</td><td>3</td></tr><tr><td>1.3-1.4</td><td>1</td></tr><tr><td>1.4-1.5</td><td>2</td></tr></tbody></table>			Ratio	Frequency	0.7-0.8	2	0.8-0.9	3	0.9-1.0	5	1.0-1.1	10	1.1-1.2	8	1.2-1.3	3	1.3-1.4	1	1.4-1.5	2
Ratio	Frequency																					
0.7-0.8	2																					
0.8-0.9	3																					
0.9-1.0	5																					
1.0-1.1	10																					
1.1-1.2	8																					
1.2-1.3	3																					
1.3-1.4	1																					
1.4-1.5	2																					
Mean Assessed Value	800,900																					
Mean Sales Price	822,000																					
Standard Deviation AV	622,246																					
Standard Deviation SP	606,420																					
ASSESSMENT LEVEL																						
Arithmetic mean ratio	0.990	<div>These figures reflect measurements after posting new values.</div>																				
Median Ratio	0.979																					
Weighted Mean Ratio	0.974																					
UNIFORMITY																						
Lowest ratio	0.6015																					
Highest ratio:	1.6897																					
Coefficient of Dispersion	14.36%																					
Standard Deviation	0.2123																					
Coefficient of Variation	21.44%																					
Price-related Differential	1.02																					
RELIABILITY																						
95% Confidence: Median																						
Lower limit	0.925																					
Upper limit	1.037																					
95% Confidence: Mean																						
Lower limit	0.919																					
Upper limit	1.062																					
SAMPLE SIZE EVALUATION																						
N (population size)	793																					
B (acceptable error - in decimal)	0.05																					
S (estimated from this sample)	0.2123																					
Recommended minimum:	66																					
Actual sample size:	34																					
Conclusion:	Uh-oh																					
NORMALITY																						
Binomial Test																						
# ratios below mean:	19																					
# ratios above mean:	15																					
z:	0.514495755																					
Conclusion:	Normal*																					
*i.e., no evidence of non-normality																						



### Improvement Sales for Area 040 with Sales Used 04/13/2006

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	331950	1295	5,000	2095622	\$800,000	01/07/05	\$160.00	BARNES SALES	NC3-40	1	Y	
040	010	332000	0350	3,060	1988186	\$700,000	09/11/03	\$228.76	SURE - FIT SEAT COVERS	C1-65	1	Y	
040	010	332000	0430	13,158	2028766	\$1,965,000	03/31/04	\$149.34	OFFICE BLDG	NC3-40	1	Y	
040	010	713280	0030	4,676	2021704	\$456,800	02/26/04	\$97.69	VET CLINIC	IC-65	2	Y	
040	010	817010	0145	3,500	2161660	\$550,000	10/05/05	\$157.14	RETAIL/DENTAL OFC	C1-65	1	Y	
040	010	982670	0450	4,613	2087076	\$1,050,000	11/29/04	\$227.62	MEDINA CHILDRENS SERVICE	L-3	1	Y	
040	040	057000	0325	8,800	2104814	\$1,399,800	02/25/05	\$159.07	BEACON HILL MARKET	NC2-40	1	Y	
040	040	057000	0330	12,484	2058323	\$1,000,000	07/23/04	\$80.10	WHSE / OFC	NC2-40	1	Y	
040	040	059700	0640	5,278	1994145	\$565,000	09/30/03	\$107.05	RETAIL / APTS	NC2-40	1	Y	
040	040	912200	0281	1,175	2134011	\$950,000	06/22/05	\$808.51	SHELL CONVENIENCE STORE W\ GAS S	NC2-40	1	26	Imp changed after sale; not in ratio
040	050	000360	0029	1,670	1954018	\$290,000	04/24/03	\$173.65	COSMETIQUE	NC1-40	1	26	Imp changed after sale; not in ratio
040	050	000360	0031	4,250	2054603	\$250,000	07/06/04	\$58.82	MT BAKER CLEANERS	NC1-40	1	Y	
040	050	000360	0078	2,072	2009712	\$1,300,000	12/19/03	\$627.41	CHEVRON C-Store W/Gas	NC3-65	1	Y	
040	050	092404	9007	37,224	2062096	\$2,000,000	08/11/04	\$53.73	BELSHAW BROTHERS MFG	C1-65	3	Y	
040	050	388190	0470	4,400	2018272	\$380,000	02/11/04	\$86.36	SEATTLE TIMES DIST	C1-65	1	Y	
040	050	570000	2385	23,049	2128536	\$2,830,000	06/02/05	\$122.78	MIXED USE RETAIL BUILDING	NC1-30	1	Y	
040	050	754830	1085	5,640	2087161	\$865,000	11/12/04	\$153.37	DEVAC-CHAMBERLAIN WINDOWS	C1-65	1	26	Imp changed after sale; not in ratio
040	050	754830	1115	8,056	2062093	\$1,000,000	08/11/04	\$124.13	BELSHAW BROS	C1-65	4	Y	
040	060	128230	0850	3,872	2150429	\$530,000	08/25/05	\$136.88	OFFICE/RETAIL	NC3-65	1	Y	
040	060	128230	1809	10,190	2099587	\$725,000	01/25/05	\$71.15	ECONOMY AUTO PARTS	C1-65	1	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	060	160460	1475	2,020	2084031	\$350,000	11/12/04	\$173.27	MEDICAL-DENTAL OFFICE	C1-40	1	Y	
040	060	170290	0845	2,142	2169093	\$220,000	11/07/05	\$102.71	BOB'S QUALITY MEATS and Apt.	NC3-40	1	Y	
040	060	170290	0855	3,724	2074285	\$600,000	10/01/04	\$161.12	Retail Store & Pet Elegance	NC3-40	1	Y	
040	060	170290	1070	2,646	1944152	\$285,000	03/06/03	\$107.71	RAINIER CAFE	NC3-40	1	26	Imp changed after sale; not in ratio
040	060	170290	1075	4,690	2018434	\$675,000	02/06/04	\$143.92	RETAIL	NC3-40	1	Y	
040	060	170290	1650	5,320	2052002	\$525,000	06/30/04	\$98.68	MISC RETAIL & APTS	NC3-40	1	Y	
040	060	170290	1675	2,680	2061016	\$370,000	08/06/04	\$138.06	RESTAURANT/RETAIL STORE	NC3-40	1	Y	
040	060	234130	0030	3,432	1953005	\$400,000	04/21/03	\$116.55		C1-40	2	Y	
040	060	333050	0960	4,470	2159800	\$675,000	09/28/05	\$151.01	COLUMBIA PHYSICAL THERAPY	NC2-40	1	Y	
040	060	333050	0966	1,680	2159796	\$275,000	09/28/05	\$163.69	MISSIONARY OFFICE	NC2-40	1	Y	
040	060	333050	1050	5,040	1977053	\$330,000	07/25/03	\$65.48	RAINIER BOXING GYMNASIUM	NC2-40	1	Y	
040	060	333050	1310	3,280	1997597	\$360,000	10/20/03	\$109.76	MISC RETAIL BLDG	NC2-40	1	Y	
040	060	333050	1590	18,330	2012399	\$1,025,000	01/07/04	\$55.92	A E RAKETTY CO INC	NC2-40	4	Y	
040	060	333050	1805	8,170	2154480	\$2,100,000	09/13/05	\$257.04	RAINIER FOODS	NC2-40	1	Y	
040	060	392990	0015	4,000	2077271	\$850,000	10/15/04	\$212.50	Burdicks Security Co	NC2-40	1	26	Imp changed after sale; not in ratio
040	060	560900	0145	3,952	2178428	\$835,000	12/20/05	\$211.29	MUSIC & DANCE STUDIO	NC2/R-4	2	Y	
040	060	564960	0061	1,612	2094111	\$611,000	12/17/04	\$379.03	Medical Clinic	NC2/R-4	1	Y	
040	060	688890	0150	3,962	2011429	\$385,000	12/23/03	\$97.17	M.L. KING AUTO BODY & PAINT	C1-40	1	Y	
040	060	795030	1855	4,299	1954952	\$610,000	04/28/03	\$141.89	RETAIL STORES	NC2/R-4	3	26	Imp changed after sale; not in ratio
040	060	811310	0425	5,249	2004005	\$710,000	11/18/03	\$135.26	LIQUOR STORE	C1-65	1	Y	

**Vacant Sales for Area 040 with Sales Used 01/18/2006**

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	000760	0206	3,696	2122984	\$210,000	05/13/05	\$56.82	VACANT	L-3	1	Y	
040	010	000760	0209	1,980	1997576	\$40,000	10/07/03	\$20.20	VACANT	C2-65	1	Y	
040	010	193730	0215	7,729	2144766	\$426,000	07/22/05	\$55.12	VACANT	LDT	2	Y	
040	010	303720	0101	2,850	2134942	\$190,000	06/28/05	\$66.67	VACANT	L-3	1	Y	
040	010	332000	0580	9,600	2147919	\$625,000	08/10/05	\$65.10	SFR HOUSE-TEAR DOWN CONDITION	IC-65	2	Y	
040	010	982670	0705	7,680	2031798	\$340,000	04/14/04	\$44.27	VACANT LOT	L-3	1	Y	Imp changed after sale; not in ratio
040	010	982670	0720	4,800	2031827	\$260,000	04/14/04	\$54.17	VACANT LOT	L-3	1	Y	Imp changed after sale; not in ratio
040	010	982670	0755	7,680	1992213	\$350,000	09/29/03	\$45.57	VACANT LOT	L-3	1	Y	Imp changed after sale; not in ratio
040	020	140030	0007	5,160	2135348	\$160,000	06/20/05	\$31.01	Vacant Multi-family	LDT	1	Y	
040	020	605860	0135	3,300	2084587	\$200,000	11/02/04	\$60.61	VACANT RESID. LAND	LDT	1	Y	Imp changed after sale; not in ratio
040	020	713730	0040	2,932	1994409	\$60,000	10/06/03	\$20.46	VACANT	L-2	1	Y	
040	040	713280	0360	4,000	1943598	\$72,000	03/05/03	\$18.00	VACANT	L-2	1	Y	
040	040	713330	0145	12,418	1995458	\$75,000	10/13/03	\$6.04	VACANT LAND	L-2	2	Y	

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	040	754830	0150	12,600	2082005	\$375,000	11/01/04	\$29.76	VACANT LOT	L-2	1	Y	
040	040	885000	0109	8,728	2061047	\$210,000	08/03/04	\$24.06	Multi-Family zoned site.	L-2	3	Y	
040	040	885000	0240	9,000	2104872	\$290,000	02/22/05	\$32.22		L-2	3	Y	
040	040	885000	0485	9,000	2147781	\$205,000	08/05/05	\$22.78		L-2	1	Y	
040	040	885000	0505	6,000	2092541	\$75,000	12/09/04	\$12.50		L-2	1	Y	
040	040	885000	0515	6,000	2091412	\$118,000	12/15/04	\$19.67		L-2	1	Y	
040	050	159460	0010	4,000	2090260	\$125,000	12/14/04	\$31.25	VAC LD	C1-65	1	Y	
040	050	182230	0005	15,597	2116748	\$825,000	04/20/05	\$52.89	VACANT LAND W/SHED	C1-65	3	Y	
040	050	388190	0515	36,760	2062098	\$1,000,000	08/11/04	\$27.20	VACANT LAND	C1-65	4	Y	
040	060	142630	0170	82,544	1951729	\$1,000,000	04/11/03	\$12.11	VAC LD	L-3	2	Y	
040	060	142630	0420	8,418	1945145	\$84,950	03/11/03	\$10.09	VACANT LAND	SF 5000	1	Y	
040	060	148040	0006	18,263	2117425	\$498,500	04/14/05	\$27.30	VACANT	NC2/R-4	2	Y	
040	060	160460	1800	8,561	1971386	\$137,000	07/01/03	\$16.00	VACANT LAND	L-2	1	Y	
040	060	160460	1800	8,561	2072079	\$210,000	09/16/04	\$24.53	VACANT LAND	L-2	1	Y	
040	060	170290	1624	9,900	1980772	\$430,000	08/07/03	\$43.43	VAC	NC2/R-4	2	26	Imp changed after sale; not in ratio
040	060	238170	0115	12,689	2120472	\$425,000	04/29/05	\$33.49	VAC LD	L-3	3	Y	
040	060	266050	0265	10,380	2147603	\$375,000	08/16/05	\$36.13		L-4 RC	1	Y	
040	060	333050	0465	3,000	1980081	\$80,000	08/06/03	\$26.67	VACANT	NC2-40	1	Y	
040	060	333050	1740	3,416	2043371	\$170,000	05/27/04	\$49.77	VIDEO RENTAL	NC2-40	1	Y	
040	060	787940	0110	3,600	2099586	\$100,000	01/25/05	\$27.78	VACANT	C2-65	1	Y	
040	060	811310	0390	11,033	2151795	\$473,000	08/26/05	\$42.87	VACANT	C1-65	1	Y	